(c) to (f) The release of subsidy on Urea is a continuous process. As on 24.4.2007, there is an outstanding liability of Rs. 3885.01 crores pending for release to the urea manufacturing units. The funds available under Vote on Account 2007-08 for payment of urea subsidy is being released to the manufacturing units and further funds will be released after availability of the Budget provisions for the year 2007-08.

Price index for medicines

2760. SHRI KALRAJ MISHRA:
SHRI SANTOSH BAGRODIA:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government have formulated a separate price index to monitor the trends in prices of drugs and medicines;

(b) if so, the details of the trends in retail and bulk medicine prices during the year 2006-07;

(c) if not, the reason therefor;

(d) whether Government would consider formulating such an index;

(e) if so, by when and if not, the reasons therefor;

(f) whether Government have taken cognizance of erratic rise in the retail prices of medicines; and

(g) if so, the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) No, Sir. However, the National Pharmaceutical Pricing Authority (NPPA) is studying the possibility of developing a Pharma Index in consultation with ORG-IMS Research Pvt. Ltd. No final decision has been taken in this regard.

(b) to (g) The Office of the Economic Adviser, M/o Commerce and Industry is the nodal office for working out Wholesale Price Index (WPI) for all commodities including drugs and medicines. Based on the information,

available, WPI in respect of Drugs & Medicines and All Commodities as well as given below for the years 2000-2001 to 2005-06:-

%change in WPI Over preceding year (Source: Ministry of Commerce and Industry)

Year	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Drugs & Medicines	5.85	3.48	0.71	2.55	2.37	4.10*
All Commodities	7.16	3.60	3.41	5.46	6.48	4.41*

*Provisional

Note-WPI for the year 2006-07 has not yet been finalized.

The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmacutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95. These drugs have been kept under price control on the basis of criteria mentioned in 'Modifications in Drug Policy, 1986', announced in September, 1994. The price fixation/revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.

As part of its price monitoring activity, NPPA regularly examines the movement in prices of non-Scheduled formations in accordance with certain internal guidelines. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-Scheduled formulations. Wherever abnormal price increase is noticed, necessary action is taken. The manufacturers are impressed upon to bring down the prices. This is an ongoing process.